

**COURSE DATA****Data Subject**

Code	44394
Name	Auditing I
Cycle	Master's degree
ECTS Credits	4.5
Academic year	2021 - 2022

Study (s)

Degree	Center	Acad. year	Period
2206 - M.U. en Contabilidad, Auditoría y Control de Gestión	Faculty of Economics	1	First term

Subject-matter

Degree	Subject-matter	Character
2206 - M.U. en Contabilidad, Auditoría y Control de Gestión	4 - Control and diffusion of financial information	Obligatory

Coordination

Name	Department
FUENTES BARBERA, CRISTINA DE	44 - Accountancy

SUMMARY

Audit I presents a thorough knowledge of corporate law and the regulations governing audit activity. Starting with EU legislation, and with particular reference to the Law on Auditing, the regulations that develop and International Standards on Auditing, adaptation and development of legislation that has been carried out in our country is analyzed, introduces the student in the phases in the process or external audit of the annual accounts and the importance for planning the audit, have internal control processes and risk analysis presented by the company to be audited.

The **faculties** in charge of teaching in this subject are:

Ms Cristina Fuentes Barberá, Accounting Department.



Mr. Fernando Baroja, ROAC Auditor, Grand Thornton.

Mr. Juan Carlos Torres, ROAC Auditor, FIDES Auditors.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

No other requirements are described.

OUTCOMES

2206 - M.U. en Contabilidad, Auditoría y Control de Gestión

- Ser capaz de planificar un trabajo de auditoría teniendo en cuenta las características del encargo, el control interno existente en la organización y el conocimiento sobre las normas técnicas de auditoría promulgadas por el Instituto de Contabilidad y Auditoría de Cuentas. Saber qué legislación es aplicable y desarrollar la habilidad necesaria para determinar cuáles son las fuentes de información que debe utilizar
- Students should apply acquired knowledge to solve problems in unfamiliar contexts within their field of study, including multidisciplinary scenarios.
- Students should be able to integrate knowledge and address the complexity of making informed judgments based on incomplete or limited information, including reflections on the social and ethical responsibilities associated with the application of their knowledge and judgments.
- Students should communicate conclusions and underlying knowledge clearly and unambiguously to both specialized and non-specialized audiences.
- Students should possess and understand foundational knowledge that enables original thinking and research in the field.
- Have critical and self-critical capacity.
- Desarrollo de la actitud ética y de responsabilidad social en el trabajo, respetando los derechos fundamentales y de igualdad, la accesibilidad y el medio ambiente, de acuerdo con los valores propios de una cultura de paz y de valores democráticos.
- Capacidad de búsqueda de información, análisis y síntesis.
- Capacidad de adaptación a nuevas situaciones y de resolución de problemas.



- Capacidad de organización y planificación del trabajo y los recursos.
- Capacidad de asumir responsabilidades y esfuerzo.
- Capacidad de trabajo en equipo y liderazgo.
- Capacidad de comunicación.

LEARNING OUTCOMES

As a result of learning this subject the student will be able to plan an audit work taking into account the characteristics of the assignment, assessed risks, internal control in the organization and knowledge about international auditing standards (NIA- IS). Know what legislation is applicable and develop the skill needed to determine what sources of information to use. Learn the ethical principles ruling the audit profession.

DESCRIPTION OF CONTENTS

1. The regulatory framework for public oversight of the audit.

- 1.1. Audit concept.
- 1.2. Audit classes.
- 1.3. The audit and its public interest.
- 1.4. The regulatory framework of the audit.
- 1.5. The system of public oversight of the audit.
- 1.6. Professional corporations.
- 1.7. Mandatory audit and appointment of the auditor.

2. Monitoring system before conducting the audit (I): authorization of auditors, public record and ongoing training.

- 2.1. Path for professional qualification as auditor.
- 2.2. The formative stage prior to the authorization at Community and national level.
- 2.3. Professional requirements: The good reputation.
- 2.4. The authorization to exercise the statutory audit.
- 2.5. The public register of auditors.
- 2.6. post qualification training requirements: Continuing education.

3. Monitoring system before conducting the audit (II): the independence of the auditor.

- 3.1. Concept and types of independence.
- 3.2. Regulation of independence in the international and European level.
- 3.3. Regulation of independence in the Spanish area.
- 3.4. The regime of incompatibilities.
- 3.5. The contract and rotation of auditors.
- 3.6. System of prohibitions.



3.7. The fees of the auditors.

4. System monitoring during the audit: the rules of professional character.

- 4.1. Issuing bodies
- 4.2. International Standards on Auditing.
- 4.3. Ethical Standards.
- 4.5. Internal Quality Control.
- 4.6. Responsibility for the auditor of the corporate group.
- 4.7. Cooperation between auditors.
- 4.8. The auditor against fraud.

5. Monitoring system after the audit: quality control, accountability and duties of the auditor.

- 5.1. Control of the audit.
- 5.2. Concept and types of responsibility.
- 5.3. Duties of auditor.

6. The public interest entities and the transparency report.

- 6.1. Concepto de entidad de interés público.
- 6.2. Mecanismos de garantía de las entidades de interés público en la normativa comunitaria.
- 6.3. Las entidades de interés público en la normativa española.
- 6.4. Mecanismos de garantía de las entidades de interés público en la normativa española.
- 6.5. El informe de transparencia.

7. General process of an audit. Implementing rules work.

- 7.1. Auditing standards generally accepted work.
- 7.2. General methodology of audit work.
- 7.3. Phases of the audit.
 - 7.3.1. Preliminary phase.
 - 7.3.2. Planning phase.
 - 7.3.3. Implementation phase.
 - 7.3.4. Closing phase.
 - 7.3.5. Preparation of the report.
 - 7.3.6. Files and Documentation.
 - 7.3.7. Representation letter from management.



8. The letter of request.

- 8.1. Concept and content.
- 8.2. Elaboration Procedure.
- 8.3. Case study

9. Audit planning and risk assessment

- 9.1. Concept.
- 9.2. Objectives of planning and risk assessment.
- 9.3. Determinants of audit strategy and risk assessment.
- 9.4. Audit planing.
- 9.5. Case study.

10. Analysis and evaluation of internal control.

- 10.1. Concept of internal control.
- 10.2. Internal control classes.
- 10.3. Key elements of internal control.
- 10.4. Study phases of internal control.
- 10.5. Methods of analysis of internal control.
- 10.6. Evaluation of internal control system.
- 10.7. International Estándar of Quality control 1.
- 10.8. Case study

11. Evidence, documentation and supervision. General file.

- 11.1. The concept of evidence.
- 11.2. Materiality and risk likely.
- 11.3. Obtaining evidence.
- 11.4. Working papers.
- 11.5. Audit files.



WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	45,00	100
Attendance at events and external activities	9,50	0
Development of group work	8,50	0
Readings supplementary material	2,00	0
Preparation of evaluation activities	11,50	0
Preparing lectures	13,50	0
Preparation of practical classes and problem	16,00	0
Resolution of case studies	2,50	0
Resolution of online questionnaires	4,00	0
TOTAL	112,50	

TEACHING METHODOLOGY

MD1 - Group learning with the teacher. We use the model masterclass in lectures, offering the possibility to influence the most important of each theme, master exposure time, and present a specific way of working and dealing with different concepts. The participatory model will also be used in some theoretical issues and especially in practical classes, which is to prioritize communication between students and the teacher. The practical sessions will take the case method as a model because it encourages student participation both individually and as a group.

MD2 - Individual study. The student is directed in learning-oriented activities, so that student activity focuses on research, location analysis, handling, processing and return of information. The preparation work for the study of the subject will focus on it.

MD3 - Tutoring. Both individually and in groups to solve problems and direct jobs. You can use the platform "Aula Virtual" of the University of Valencia to maintain contact with the teacher.

MD4 - Group work with peers. The performance of work aims also to motivate the student in the research activity, apprehension and analysis of information, foster personal relationships, share problems, initiatives and solutions to work together. You will need to submit the proposed class work.

EVALUATION

SE1- Participation in class (debates, problem solving, presentation of works, among others). For the evaluation of proposed activities and tasks, these should be delivered on the date and form that is stipulated for each of them. Weighting 20%. Continuous evaluation activities are not recoverable.



SE3 - Exam or test of theoretical or practical nature or equivalent. This test should be exceeded from 4 out of 10 so that continuous assessment can be added. Weighting 80%.

To pass the subject it will be necessary to obtain a minimum total score of 5 out of 10.

REFERENCES

Basic

- Directiva 2006/43/CE del Parlamento Europeo y del Consejo de 17 de mayo de 2006, relativa a la auditoría legal de las cuentas anuales y de las cuentas consolidadas (en adelante VIII Directiva)
- Directiva 2008/30/CE del Parlamento Europeo y del Consejo de 11 de marzo de 2008, por la que se modifica la Directiva 2006/43/CE, relativa a la auditoría legal de las cuentas anuales y de las cuentas consolidadas, por lo que se refiere a las competencias de ejecución atribuidas a la Comisión
- Directiva 2014/56/UE del Parlamento Europeo y del Consejo de 16 de abril de 2014, por la que se modifica la Directiva 2006/43/CE relativa a la auditoría legal de las cuentas anuales y de las cuentas consolidadas
- Reglamento (UE) nº 537/2014 del Parlamento Europeo y del Consejo de 16 de abril de 2014 sobre los requisitos específicos de la auditoría legal de las entidades de interés público y por el que se deroga la Decisión 2005/909/CE de la Comisión
- Ley 22/2015, de 20 de julio, de Auditoría de Cuentas
- Real Decreto 1517/2011, de 31 de octubre, por el que se aprueba el Reglamento que desarrolla el Texto Refundido de la Ley de Auditoría de Cuentas, aprobado por el Real Decreto Legislativo 1/2011, de 1 de julio (en adelante Reglamento o RAC)
- Resolución de 15 octubre de 2013, del Instituto de Contabilidad y Auditoría de Cuentas, por la que se aprueban las nuevas Normas Técnicas de Auditoría, resultado de la adaptación de las Normas Internacionales de Auditoría para su aplicación en España (en adelante NIA-ES)
- Resolución de 26 de octubre de 2011 del Instituto de Contabilidad y Auditoría de Cuentas, por la que se publica la Norma de Control Calidad Interno de los auditores de cuentas y sociedades de auditoría.
- Resolución de 20 de diciembre de 2013 del Instituto de Contabilidad y Auditoría de Cuentas, por la que se modifica la Norma de Control Calidad Interno de los auditores de cuentas y sociedades de auditoría.
- Larriba Zurita, Alejandro, (2009). Auditoría de las cuentas anuales I y II, ed. Centro de Estudios Financieros.
- Sanchez Fernandez de Valderrama, J. L. (2014). Teoría y Práctica de la Auditoría (4ª. Ed). Ediciones Pirámide. Madrid
- Trigueros Pina, J.A. y otros (2017). Manual de Auditoría. Ediciones Francis Lefebvre. Madrid



- Aguilar, I.; De Fuentes, C. y Labatut, G. (2017): Normas Internacionales de Auditoría Adaptadas para su Aplicación en España por el ICAC. Ed. Francis Lefevre. Madrid.
- Enlaces de interés:
<http://www.iaasb.org/>
http://europa.eu/index_en.htm
<http://www.icac.meh.es/>
- Resolución de 23 de diciembre de 2016, del Instituto de Contabilidad y Auditoría de Cuentas, por la que se publica la modificación de determinadas Normas Técnicas de Auditoría y del Glosario de Términos.
- Real Decreto 2/2021, de 12 de enero, por el que se aprueba el Reglamento de desarrollo de la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas

Additional

- Campbell, T. y Houghton, K. editors (2005). Ethics and auditing, Australian National University, E press. Disponible en http://epress.anu.edu.au/ethics_citation.html
- Instituto de Censores Jurados de Cuentas de España. Código de ética, disponible en http://www.icjce.es/images/pdfs/GRAL/publicacion_codigo_etica.pdf
- International Federation of Accountants, International Auditing and Assurance Standards Board (2010). Handbook of International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements. Disponible en <http://web.ifac.org/clarity-center/the-clarified-standards>
- International Federation of Accountants, International Ethics Standards Board for Accountants (2010). Handbook of the code of Ethics for professional Accountants, 2010 ed. Disponible en <http://web.ifac.org/publications/international-ethics-standards-board-for-accountants>

ADDENDUM COVID-19

This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council

1. Contents

The original contents in the teaching guide are maintained.

2. Workload and planning

Teaching guide workload and planning is maintained.



Regarding the teaching schedule, if the face to face sessions are not possible, the on-line sessions will be delivered at the same days and time that are scheduled.

3. Teaching methodology

Following the indications for the development of the teaching of the course 20-21, approved by the Consell de Govern of the University of Valencia on July 1, 2020, the teaching of the first semester for the master courses will be face-to-face.

However, if due to healthy reasons, face-to-face teaching is not possible, the sessions will be carried out by synchronous videoconference, at the same timetable as the face-to-face traditional class. Students will connect the camera to participate in the development of the theoretical classes. These sessions could be replaced by asynchronous sessions.

Tutoring will be online at the tutorial schedule. Forums and other tools available online could be used.